



# **DLA Distribution Annual Operating Plan Fiscal Year 2013**

**In Support of  
DLA Director's Guidance**

# Mission, Vision, and Values

## DLA MISSION...WARFIGHTER SUPPORT

**We are America's Combat Logistics Agency. We provide effective and efficient worldwide support to warfighters and our other customers.**

***DLA Distribution Mission... Leverage a global distribution network to enable logistics solutions.***

As a DLA primary level field activity, DLA Distribution is the leading provider of global distribution support to America's military including receiving, storing and issuing supplies as well as providing other tailored services to increase warfighter readiness.

DLA Distribution offers best value supply chain solutions through a broad range of services including storage, distribution, customized kits and specialized packaging as well as transportation support and technology development. We are connected directly with our operational and industrial partners and integral to the success of our National Military Strategy.

More than 10,000 highly-skilled employees provide timely distribution services to customers around the globe. In FY 2012, DLA Distribution processed over 18 million receipts and issues supporting customer operations worldwide, including support to combat operations, humanitarian assistance missions and a multitude of military exercises.





## DLA VISION

**Warfighter-focused, globally responsive, fiscally responsible supply chain leadership**

***DLA Distribution is the preferred source of global distribution support for the Military Services and Government Agencies.***

We are the customer's right choice for innovative distribution solutions.

We ensure customer satisfaction at the best value to the warfighter.

We are the benchmark for distribution, optimizing infrastructure and standardizing work processes.

## DLA'S VALUES

- Warfighter needs guide us
- Integrity defines us
- Diversity strengthens us
- Excellence inspires us

### **Our Commitment...Global Distribution Excellence**

We continually strive to do what is right for our customers. With processes grounded in excellence, we deliver each important step with consistency of purpose, high professional standards and expert focus.





# DLA Strategic Focus Areas

- Warfighter Support Enhancements – Deliver agile and responsive logistics solutions to the warfighter.
- Stewardship Excellence – Manage DLA processes and resources to deliver effective warfighter support at optimal cost.
- Workforce Development – Foster a diverse workforce and supporting culture to deliver sustained mission excellence.

# DLA Director's "Big Ideas"

From 2012 to 2018, DoD will be scaling down operations overseas and drastically reducing costs. As a result, DLA's sales and workload are expected to decrease and, as an organization, we will have to find ways to provide both effective and efficient support to the warfighter. To that end, the DLA Director has set a goal of reducing costs by at least 10% over the next 5 years (known as "10 in 5"). To facilitate these savings, DLA has developed 5 "Big Ideas," supported by specific savings initiatives:

- **Decrease Direct Material Costs** - "Be smart buyers of the right stuff"
  - Reduce direct cost of fuel by 1-3%
  - Reduce total direct material costs by 5%
- **Decrease Operating Costs** - "Improve process and productivity"
  - Reduce distribution/transportation costs by 25%
  - Achieve 3% efficiency gains in ADP, personnel and facilities
- **Reduce Inventory** - "Clean out the Attic"
  - Attack War Reserves and Operational Inventory by leveraging commercial infrastructure and agreements
- **Improve Customer Service** - "Delight our Customers"
  - Improve total service delivery by 10 percentage points
  - Measure ourselves by customer standards
- **Achieve Audit Readiness** - "Prove It"
  - Use audit readiness to identify and drive future improvement

Specific  
Initiatives and  
Supporting  
Metrics



# DLA Distribution

## Specific Initiatives and Supporting Metrics

### 1. Performance

Goal: We will meet or exceed DLA's prescribed performance levels for Distribution Operations. By seeking to improve performance and productivity, DLA Distribution is aligned to the DLA Director's strategic objective "Decrease Operating Costs".

- Ensure 85% of APR Metrics meet or exceed DLA standards (measured and reported monthly). (OPR: J3)
- Ensure FTE execution is within 2.5% of the FTE target specified in the DLA Distribution Budget (semi-annual Fiscal Year measurement). (OPR: J3)
- Ensure inventory accuracy profile meets or exceeds DLA specified requirements. (OPR: J3/J4)
- Improve acquisition performance - Meet DLA prescribed goals for contract related APR metrics, DLA Acquisition and Review metrics and Small Business/eSRS performance. (OPR: J7)
  - Improve acquisition execution accountability standards, practices and outcomes.
  - Achieve small-business objectives in support of departmental goals and related customer benefits.

Specific Metrics: APR performance metrics, FTE execution, inventory accuracy, denials, adjustments, DLA Acquisition and Review metrics.

DLA Distribution's initiatives support long-term strategies that extend well beyond the current fiscal year. These specific initiatives will move us forward to meet future challenges, while allowing us to perform our current mission and integrate efforts with our operational customers.



## 2. Standardization

Goal: Establish standard processes across DLA Distribution work areas (e.g., receipt, stow, issue, transportation). Set overall productivity and staffing standards for each process. By improving process to balance efficiency and effectiveness, this initiative supports DLA Director's strategic objectives "Decrease Operating Costs" and "Achieve Audit Readiness".

- Deliver engineered process goals, quality expectations and work measurement formulas to reflect current/future process and staffing requirements and systems. (OPR: J4)

Specific Metrics: Progress against Standardization POAM delivery schedule through FY 13.



## 3. Distribution Network Optimization

Goal: Assess and implement changes within the distribution network which increases the value of service to the customer. Aligned to the DLA Director's strategic objectives "Decrease Operating Costs" and "Reduce Inventory," our efforts are targeted to deliver effective warfighter support at optimal cost.

- Reduce the net covered storage footprint by 2.3 million gross square feet from the 1 October 2012 baseline. (OPR: J3/J4)
- Disestablish DLA Distribution San Joaquin, Calif., (Sharpe) and DLA Distribution Susquehanna, Pa., (Mechanicsburg) in FY13- FY15.

Specific Metrics: Compare baseline footprint and cube to actual footprint/cube, storage costs, processing times and progress against the Optimization POAM.



## 4. FY 13 Business Planning

## 5. Customer Service



Goal: Execute a business planning process that focuses the organization to support the warfighter at current or higher levels while increasing the value of our services. By committing to strong stewardship and identifying strategic sourcing opportunities, we are supporting the DLA Director's strategic objectives "Decrease Operating Costs" and "Decrease Direct Material Costs."

- Execute the DLA Distribution Business Plan to the FY13 budget. Achieve savings in areas such as travel, supplies and container utilization that support DLA Distribution's contribution to the Director's "10 in 5" goal. (OPR: J7)
- Conduct reverse auctions. (OPR: J7)

Specific metrics: Specified ROI on initiatives and FY 13 Business Plan metrics (actual to goal) and percent of all fully competitive awards made using Reverse Auctions.

Goal: Meet or exceed customer expectations. Ensure timely and correct resolution of customer issues and provide customer experience improvement opportunities to the appropriate DLA Distribution organization. This initiative is aligned to the DLA Director's strategic objective "Improve Customer Service."

- Update worldwide integrated distribution strategies to shape the distribution network based upon the Combatant Commander's logistics requirements, ensuring alignment of DLA Distribution metrics and goals. (OPR: J5)

Specific Metrics: Annual review of the Integrated Distribution Strategies.



## 6. Workforce Development

## Commander's Intent

Goal: To Support workforce diversity, provide the long-term vision for workforce planning and development, recruitment, retention, diversity and career progression. We must enable our employees, leveraging their skills, knowledge and abilities, to effectively and efficiently support our customers. By doing so, we support the DLA Director's strategic objectives "Decrease Operating Costs", "Improve Customer Service" and "Achieve Audit Readiness".

- Develop Reasonable Accommodation (RA) and Alternate Dispute Resolution (ADR) training, ensuring 85% completion rate for all supervisors/managers. (OPR: EEO)
- Coordinate with DLA Training to deliver standardized training and initiate (curriculum, quota management, venues, etc...) quality immersion training, specifically the ability to build quality awareness and competencies into all levels of our organization. (OPR: J4/J1)
- Execute DLA Distribution's recognition program to celebrate organizational performance, individual achievement and employee service. (OPR: OM)
- Build competency models and career maps for Warehousing and Transportation Functional Communities. (OPR: OM/J1/J4)

Specific Metrics: Percent of supervisors/managers trained, workforce demographics, telework status, fill skill gaps and improved performance metrics.

In FY13, DLA Distribution will provide high-quality services to the Warfighter at the best possible value. In addition to successfully executing the initiatives in this document, DLA Distribution will define the way ahead in three key areas:

- Safety
- Wholesale/Retail Rationalization
- First Destination Transportation Packaging Initiative

Further, as we enhance our global distribution network to enable logistics solutions, we will ensure that each and every member of the Distribution Team is truly delivering Global Distribution Excellence!



**William H. Budden**  
Senior Executive Service  
Deputy Commander  
DLA Distribution



**Susan A. Davidson**  
Brigadier General, USA  
Commander  
DLA Distribution





# Global Distribution Excellence



Get the free mobile app at  
<http://gettag.mobi>



[www.distribution.dla.mil](http://www.distribution.dla.mil)



[www.youtube.com/dodlogisticsagency](http://www.youtube.com/dodlogisticsagency)



[www.facebook.com/dla.mil](http://www.facebook.com/dla.mil)



[www.twitter.com/dlamil](http://www.twitter.com/dlamil)